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## **Korea - Republic of**

### **Grain and Feed Update**

### **October Lock Up**

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**Report Highlights:**

Korea's MY 2014/15 total corn imports are forecast at 9.6 million metric tons (MMT), up from post's earlier forecast due to higher than expected demand for feed corn. U.S. corn imports are expected to reach 6 million tons, an increase of 1.4 million tons from MY 2013. Accordingly, Korea's wheat imports have been adjusted down to 3.9 MMT in MY 2014/15, with U.S. wheat accounting for 1.3 MMT.

Statistics Korea's (KOSTAT) estimate for 2014 rice production is 4.18 MMT. Korea estimates total MY 2013/2014 rice imports of 400,000MT with 42,000MT imported from the United States. Korea's WTO minimum market access (MMA) commitments end in 2014 with rice tariffication scheduled to begin on January 1, 2015.

**Post:**  
Seoul

**Author Defined:**

**WHEAT**

**Production:**

Remains unchanged from the previous report.

Korea: Wheat Production			
Crop Year	Harvested Area(Hectare)	Yield(MT/HA)	Production(MT)
2006	1,738	3.34	5,810
2007	1,928	3.81	7,624
2008	2,549	4.06	10,359
2009	5,067	5.15	26,087
2010	12,548	3.12	39,116
2011	13,044	3.35	43,677
2012	9,467	3.91	37,014
2013	7,373	3.68	27,130
2014 <sup>a/</sup>	7,180	3.70	27,000

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)

a/ FAS/Seoul forecast; yield is based on five year average.

**Consumption:**

The MY 2014/15 wheat consumption forecast has been revised to 3.7 million tons, down 14 percent from the previous report due to lower use of feed grade wheat, which is now less competitive than corn in the Korean feed market due to lower price caused by greater U.S. corn yield in MY 2014/15. Feed wheat consumption is expected to decline further to 1.4 million tons, down 28 percent from the previous marketing year while milling wheat consumption will remain stagnant at 2.3 million tons.

Korea: Post Estimates of Domestic Wheat Use (1,000 MT, July/June)				
Year	2011/12	2012/13	2013/14	2014/15 <sup>c/</sup>
Imported Milling Wheat <sup>1/</sup>	2,153	2,193	2,132	2,130
Imported Milling Wheat <sup>2/</sup>	130	167	180	180
Flour Imports <sup>a/</sup>	42	39	33	35
Flour Exports <sup>a/</sup>	60	62	63	65
Pasta Imports <sup>a/</sup>	122	135	150	155
Pasta Exports <sup>a/</sup>	120	130	140	145
Local Wheat	44	37	27	27
<b>FSI Consumption <sup>b/</sup></b>	<b>2,311</b>	<b>2,379</b>	<b>2,319</b>	<b>2,317</b>
Feed Wheat	2,870	2,818	1,936	1,400
<b>Total Consumption <sup>b/</sup></b>	<b>5,181</b>	<b>5,197</b>	<b>4,255</b>	<b>3,717</b>

Source: Korea Feed Association (KFA), Korea Flour Millers Industry Association (KOFMIA) and Korea Customs Service (KCS)

a/ Wheat basis

b/ include local wheat, flour imports and pasta imports but exclude flour exports and pasta exports

c/ FAS/Seoul forecast

1/ KOFMIA members  
2/ non- KOFMIA member

Korea: Monthly Wheat Use (1,000 MT)				
Month	Feed Wheat		Milling Wheat a/	
	MY 2013/14	MY 2014/15	MY 2013/14	MY 2014/15
July	235	129	176	183
August	219	121	173	174
September	226	na	156	na
October	245	na	185	na
November	205	na	180	na
December	159	na	180	na
January	125	na	184	na
February	100	na	161	na
March	101	na	176	na
April	100	na	180	na
May	108	na	177	na
June	114	na	175	na
<b>Total</b>	<b>1,936</b>	na	<b>2,102</b>	na

Source: KFA and KOFMIA

a/ includes wheat flour exports, but excludes the portion used in soy-sauce production

#### Trade:

As of early October 2014, Korean feed millers have completed contracts for delivery of feed grade wheat for the first six months of MY 2014/2015 (Jul/Jun), at around 650,000 MT or 65 percent of the total for the same period in the previous year, as feed grade wheat has been less competitive than corn. Accordingly, post revised total wheat imports down to less than 4 million in MY 2014/15 with milling wheat imports remaining unchanged.

Korea: MY 2014/15 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of early October, 2014)		
ETA	Quantity	Price (US\$/MT) <sup>1/</sup>
Jul. 2014	65	290
Aug.	130	289
Sep.	106	287
Oct.	194	268
Dec.	84	244
Jan. 2015	63	234
<b>Total</b>	<b>642</b>	

Source: Local Grain Traders

1/ CNF on Weighted Average

Korea: Wheat Imports (1,000 MT, Customs Cleared Basis)					
Marketing Year (July/June)	Feed Wheat	Milling Wheat	Flour Imports <sup>1/</sup>	Pasta Import <sup>1/</sup>	Total
05/06	1,536	2,220	41	101	3,898
06/07	976	2,298	69	108	3,451
07/08	565	2,317	105	117	3,104

08/09	1,151	2,058	69	105	3,383
09/10	2,164	2,071	127	119	4,481
10/11	2,075	2,520	63	123	4,781
11/12	2,868	2,169	42	122	5,201
12/13	2,820	2,461	39	135	5,455
13/14	1,948	2,181	33	150	4,312
14/15 <sup>2/</sup>	1,400	2,310	35	155	3,900

Source: Korea Customs Service

1/ Wheat basis

2/ FAS/Seoul forecast

## Korea: MY 2014/15 Monthly Wheat Imports by Origin

(1,000 MT, based on Customs Clearance)

Country	U. S.	Australia	Canada	India	Other	Total
<b>Milling Wheat</b>						
2014 July	140	15	23	0	0	178
August	90	93	6	0	0	189
September	72	77	33	0	0	182
<b>Total(Jul-Sep) 2014</b>	<b>302</b>	<b>185</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>550</b>
Total(Jul-Sep) 2013	291	126	10	0	0	427
<b>Feed Wheat</b>						
2014 July	47	0	30	5	5	87
August	0	0	30	5	0	35
September	0	0	39	0	110 <sup>a/</sup>	149
<b>Total(Jul-Sep) 2014</b>	<b>47</b>	<b>0</b>	<b>99</b>	<b>10</b>	<b>115</b>	<b>271</b>
Total(Jul-Sep) 2013	0	0	56	196	357	610
<b>Total Wheat</b>						
2014 July	187	15	52	5	5	266
August	90	93	36	5	0	224
September	72	77	71	0	110	331
<b>Total(Jul-Sep) 2014</b>	<b>349</b>	<b>185</b>	<b>160</b>	<b>10</b>	<b>115</b>	<b>821</b>
Total(Jul-Sep) 2013	291	126	66	196	358	1,037

Source: Korea Customs Service

a/ Romania (40,675 MT); Bulgaria (69,7449 MT)

## Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat Republic of	Korea,	2012/2013		2013/2014		2014/2015		
		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014		
		USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested		9	9	7	7	7	7	(1000 HA)
Beginning Stocks		1,393	1,393	1,529	1,496	1,400	1,377	(1000 MT)
Production		37	37	27	27	27	27	(1000 MT)
MY Imports		5,439	5,455	4,288	4,312	4,200	3,900	(1000 MT)

TY Imports	5,439	5,455	4,288	4,312	4,200	3,900	(1000 MT)
TY Imp. from U.S.	1,312	1,407	1,403	1,220	0	1,300	(1000 MT)
Total Supply	6,869	6,885	5,844	5,835	5,627	5,304	(1000 MT)
MY Exports	144	192	144	203	150	210	(1000 MT)
TY Exports	144	192	144	203	150	210	(1000 MT)
Feed and Residual	2,817	2,818	1,900	1,936	1,700	1,400	(1000 MT)
FSI Consumption	2,379	2,379	2,400	2,319	2,450	2,320	(1000 MT)
Total Consumption	5,196	5,197	4,300	4,255	4,150	3,720	(1000 MT)
Ending Stocks	1,529	1,496	1,400	1,377	1,327	1,374	(1000 MT)
Total Distribution	6,869	6,885	5,844	5,835	5,627	5,304	(1000 MT)
Yield	4.	4.1111	4.	3.8571	4.	3.8571	(MT/HA)
TS=TD		0		0		0	

## CORN

### Production:

Post's corn production estimate remains unchanged from the previous report based on the preceding five-year average yield. The Korean government is expected to release official production figures for 2014 in May 2015.

Korea: Corn Production			
Crop Year	Area (HA)	Yield (MT/HA)	Production (MT)
2006	13,661	4.73	64,623
2007	16,981	4.82	83,513
2008	18,366	5.05	92,830
2009	15,326	5.02	76,975
2010	15,528	4.79	74,339
2011	15,823	4.65	73,612
2012	17,001	4.89	83,210
2013	15,905	5.06	80,465
2014 <sup>a/</sup>	16,000	4.90	78,000

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)

a/ FAS/Seoul projection based on five-year average yield

### Consumption:

The MY 2014/15 corn consumption forecast has been revised to 10.1 million tons, up 0.6 million tons from post's previous forecast due to a greater demand for feed grade corn that will offset lower consumption of feed wheat, meanwhile corn consumption for processing remains stagnant at 2 million tons.

MY 2013/14 corn consumption is estimated at 9.9 million tons, up 0.1 million tons from post's earlier estimate of 9.8 million tons, as corn is expected to be in greater demand in the poultry sector coupled with continued demand for livestock feed use as the reduction in swine and cattle inventories is now expected to be less than originally thought following the recovery of pork and beef prices that began in the second half of 2013.

On the basis of the first eleven months, MY 2013/14 compound feed production is expected to stay around 18.75 million tons, slightly lower than the previous year, due to strong demand from the poultry sector as a result of greater demand for chicken in the summer season. Heavy damage to duck inventories by AI results in a sharp decline of other animal feed production.

For the first eleven months, poultry compound feed production increased by 7.7 percent over the same period in the previous marketing year, while compound feed production for cattle declined by 2.8 percent, followed by compound

feed production for swine, which decreased by 1.3 percent.

The corn inclusion rate in total compound feed production is expected to grow to 41.6 percent in MY 2013/14, up 7.3 percent from the previous year with feed wheat use declining.

Major corn processors have continued using traditional corn imported from Serbia, Ukraine, Russia, Hungary, France, Australia and Brazil, and non GM corn imported from the United States for food. Many Korean food processing companies are reluctant to use ingredients sourced from biotech corn.

**Korea: Total Corn Utilization**  
(Oct./Sept., 1,000 MT)

Marketing Year	Feed	Processing a/	Food b/	Total
2008/09	6,368	1,418	108	7,894
2009/10	6,362	1,928	92	8,382
2010/11	6,074	2,051	89	8,214
2011/12	5,690	2,036	89	7,815
2012/13	6,483	1,900	98	8,481
2013/14 <sup>c/</sup>	7,800	2,000	100	9,900
2014/15 <sup>d/</sup>	8,000	2,000	100	10,100

Source: Korea Feed Association (KFA), Korea Corn Processing Industry Association (KOCPIA)

a/ Used for wet and dry milling process based on imported corn.

b/ For on-farm human consumption (on-the-cob) or snack food consumed on-the-cob, as puffed kernels or as corn tea. Imported white corn for popping has been included since MY 2004.

c/ FAS Seoul estimate based on actual consumption for the first eleven months

d/ FAS Seoul forecast

**Korea: Monthly Corn Use**  
(1,000 MT)

Month	Feed Corn		Processing Corn	
	MY 2012/13	MY 2013/14	MY 2012/13	MY 2013/14
October	508	558	174	175
November	512	596	169	165
December	559	687	160	164
January	580	703	158	161
February	513	632	137	148
March	533	653	140	180
April	572	664	158	171
May	574	668	161	177
June	522	646	153	176
July	553	659	173	184
August	528	626	163	175
<b>Sub Total</b>	<b>5,954</b>	<b>7,092</b>	<b>1,746</b>	<b>1,876</b>
September	529	na	156	na
<b>Total</b>	<b>6,483</b>	<b>na</b>	<b>1,900</b>	<b>na</b>

Source: Korea Feed Association (KFA), Korea Corn Processing Industry Association (KOCPIA)

**Korea: Feed Ingredient Use for Compound Feed Production**  
(October/September, 1,000 MT)

Items	MY 2011/12	MY 2012/13	MY 2013/14 <sup>a/</sup>	MY 2014/15 <sup>b/</sup>
Sub. Total Grains and Grain Substitutes	11,569	12,115	12,200	12,100
- Wheat	3,065	2,710	1,600	1,400
- Corn	5,690	6,483	7,800	8,000

- Other Grains and Grain Substitute <sup>c/</sup>	2,814	2,992	2,800	2,700
Others <sup>d/</sup>	6,431	6,698	6,550	6,400
<b>Grand Total</b>	<b>18,000</b>	<b>18,883</b>	<b>18,750</b>	<b>18,500</b>

Source: Korea Feed Association (KFA)

a/ FAS Seoul forecast based on the actual production for first eleven months

b/ FAS Seoul forecast

c/ includes Tapioca, bran and gluten feed.

d/ includes vegetable protein meal, animal protein, minerals/additives, tallow, DDGS and molasses.

Korea: Compound Feed Production by Species (October/September, 1,000 MT)				
Species	MY 2011/12	MY 2012/13	MY 2013/14 <sup>a/</sup>	MY 2014/15 <sup>b/</sup>
Poultry	4,821	4,726	5,100	5,000
Swine	5,322	6,100	6,000	6,000
Cattle	6,321	6,572	6,350	6,100
Others <sup>d/</sup>	1,477	1,483	1,300	1,400
<b>Total</b>	<b>17,940</b>	<b>18,881</b>	<b>18,750</b>	<b>18,500</b>

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA)

a/ Preliminary

b/ FAS/Seoul forecast based on the first eleven months data

d/ include ducks, pet food, rabbit, horse, sheep, deer, quail etc

Korea: Compound Feed Production Comparison by Species for the first eleven Months (October/May, 1,000 MT)			
Species	MY 2012/13	MY 2013/14	Change
Poultry	4,359	4,695	+7.7
Swine	5,591	5,518	-1.3
Cattle	6,037	5,869	-2.8
Others	1,367	1,205	-12
<b>Total</b>	<b>17,353</b>	<b>17,245</b>	<b>-0.6</b>

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA)

## Trade:

MY 2014/15 total corn imports are forecast at 9.6 million tons, up 0.2 million tons from post's earlier forecast due to the expected high level of animal inventories despite the government's inventory reduction program. The higher beginning stock level will limit actual corn imports. Processing corn imports should remain stagnant at 2 million tons.

In MY 2014/15, U.S. corn exports to Korea are forecast to stay around 6 million tons, up 1.4 million tons from the previous year due to increased U.S. corn price competitiveness against both corn and feed wheat of other origin in the Korean market. As of early October 2014, Korean buyers have completed delivery of corn contracts for the first five months of the current marketing year, approaching about three million tons. Most of the contracted purchases to date were from worldwide sources including South America, Eastern Europe and the United States at the seller's option. In view of global corn prices, grain traders predict for the time being that most of the contracts will be shipped from the United States, South America, South Africa or Eastern Europe.

In MY 2013/14, total corn imports were completed at 10.4 million tons, up 2.2 million tons from the previous year, resulting in higher ending stocks, which are expected to impact Korean buyers who may adjust their pace of making new contracts depending on future global corn prices. U.S. corn dominated the Korean market, supplying more than 44 percent of total imports, followed by Brazil (19 percent), Ukraine (17 percent) and Russia (8 percent); a sharp increase from just 6 percent in the previous marketing year.

Korea: Corn Imports (1,000MT, Customs Cleared Basis)							
Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Processing	Total	Feed	Processing	Total	%
07/08	7,680	1,629	9,309	7,259	1,077	8,336	90
08/09	5,781	1,431	7,212	4,883	921	5,804	80
09/10	6,457	2,003	8,460	6,097	1,407	7,504	89
10/11	6,060	2,047	8,107	5,183	1,133	6,316	78
11/12	5,600	2,035	7,635	3,450	307	3,757	49
12/13	6,230	1,944	8,174	341	115	456	6
13/14	8,319	2,086	10,405	3,769	842	4,611	44
14/15 <sup>a/</sup>	7,600	2,000	9,600	5,000	1,000	6,000	73

Source: Korea Customs Service  
a/ FAS/Seoul forecast

Korea: Monthly Corn Import (1,000 MT, Customs Cleared Basis)				
Month	Feed Corn		Processing Corn	
	MY 2012/13	MY 2013/14	MY 2012/13	MY 2013/14
October	460	620	103	131
November	470	631	235	178
December	706	975	242	222
January	689	885	149	118
February	492	829	111	170
March	489	488	185	158
April	528	664	119	234
May	533	698	175	166
June	407	540	285	300
July	674	591	85	85
August	287	658	127	112
September	495	740	127	212
<b>Total</b>	<b>6,230</b>	<b>8,319</b>	<b>1,944</b>	<b>2,086</b>

Source: Korea Customs Service

Korea: MY 2014/15 Corn Contracts <sup>1/</sup> by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of early Oct. 2014)						
ETA	U.S.	Europe	SOAM	Others <sup>2/</sup>	Total	Price <sup>3/</sup>
Oct. 2014	0	0	0	639	639	265
Nov.	0	0	0	805	805	255
Dec.	110	55	0	497	662	247
Jan. 2015	0	0	0	586	586	222
Feb	0	0	0	427	427	213
<b>Total</b>	<b>110</b>	<b>55</b>	<b>0</b>	<b>2,741</b>	<b>2,906</b>	

Source: Local Grain Traders

1/ reflecting 90-95 percent of actual contracts due to some omitted contracts data

2/ optional origins at seller's option out of USA, SOAM or Europe

3/ US\$/MT, CNF on Weighted Average

## Production, Supply and Demand Data Statistics:

Corn PS&D



Corn	Korea, Republic of		2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014			
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post		
Area Harvested	17	17	16	16	16	16	(1000 HA)	
Beginning Stocks	1,484	1,484	1,260	1,260	1,740	1,845	(1000 MT)	
Production	83	83	80	80	78	78	(1000 MT)	
MY Imports	8,174	8,174	10,300	10,405	9,500	9,600	(1000 MT)	
TY Imports	8,174	8,174	10,300	10,405	9,500	9,600	(1000 MT)	
TY Imp. from U.S.	296	456	0	4,611	0	6,000	(1000 MT)	
Total Supply	9,741	9,741	11,640	11,745	11,318	11,523	(1000 MT)	
MY Exports	0	0	0	0	0	0	(1000 MT)	
TY Exports	0	0	0	0	0	0	(1000 MT)	
Feed and Residual	6,483	6,483	7,800	7,800	7,800	8,000	(1000 MT)	
FSI Consumption	1,998	1,998	2,100	2,100	2,100	2,100	(1000 MT)	
Total Consumption	8,481	8,481	9,900	9,900	9,900	10,100	(1000 MT)	
Ending Stocks	1,260	1,260	1,740	1,845	1,418	1,423	(1000 MT)	
Total Distribution	9,741	9,741	11,640	11,745	11,318	11,523	(1000 MT)	
Yield	5.	4.8824	5.	5.	5.	4.875	(MT/HA)	
TS=TD		0		0		0		

#### Corn Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Corn		
Time Period	Oct/Sept	Units:	1,000MT
Imports for:	2012		2013
U.S.	456	U.S.	4611
Others		Others	
Brazil	3973	Brazil	1980
Argentina	2592	Ukraine	1760
France	374	Russia	804
Hungary	202	Serbia	406
Serbia	220	Argentina	358
Ukraine	114	South Africa	167
South Africa	95	Romania	110
Australia	74	Australia	59
		Hungary	50
		France	49
Total for Others	7644		5743
Others not Listed	74		51
Grand Total	8174		10405

Source: Korea Customs Service (KCS)

**Korea: Animal Inventory**  
(1,000 Head, 1,000 Birds, as of Sep. 2014)

Animal	Year	March	June	September	December
Beef Cattle	2010	2,706	2,889	2,949	2,915
	2011	2,881	3,053	3,044	2,950
	2012	2,940	3,109	3,143	3,059
	2013	2,966	3,064	3,043	2,918
	2014	2,811	2,879	2,848	2,745d/
Dairy Cattle	2010	449	432	429	430
	2011	396	403	404	404
	2012	404	410	417	420
	2013	420	419	422	424
	2014	428	424	424-426d/	426-428d/
Swine a/	2010	9,768	9,728	9,901	9,881
	2011	7,036	7,330	7,783	8,171
	2012	8,852	9,432	9,937	9,916
	2013	10,107	10,181	10,188	9,912
	2014	9,698	9,680	9,700-9,900d/	9,700-9,900d/
Layer b/	2010	62,524	61,586	60,095	61,700
	2011	61,025	60,723	61,212	62,425
	2012	63,200	61,953	61,326	61,344
	2013	62,340	60,610	62,674	64,824
	2014	64,572	62,851	63,080d/	na
Broiler c/	2010	72,692	101,690	71,271	77,871
	2011	69,932	110,122	71,038	76,435
	2012	69,387	97,750	68,540	76,130
	2013	71,938	95,898	64,505	76,487
	2014	77,879	103,593	75,830d/	na

Source: Korea Statistics (KOSTAT) and Korea Rural Economic Institute (KREI)

a/ includes 864,000 heads of statistical difference between FAS/Seoul and Korean government until CY 2010.

b/ Excluding breeders.

c/ Excluding multi-use broilers.

d/ KREI forecast

# RICE

## PRODUCTION

Statistics Korea (KOSTAT) released a 2014 rice production estimate of 4.18 million metric tons (MMT) based on a nationwide survey of 6,600 rice fields conducted from September 15 to 22, 2014.

The survey results show total harvested acreage at 815,506 HA, which is a 2.1 percent decline from the previous year. However, despite declining acreage, favorable weather in September during the critical filling stage resulted in the highest yield since 2010, limiting rice reduction to 1.1 percent from the previous year. Unless a natural disaster such as a typhoon or heavy rains were to damage Korean rice fields prior to completion of harvest in the middle of November, the final estimate for rice production is expected to be further increased. KOSTAT is expected to release its final production estimate shortly after the rice harvest is completed in mid-November.

### Area

Rice area has continued to decrease annually – ranging from 5,000 HA to 38,000 HA every year since 2001. Area decrease in 2014 was slightly high compared to last year in response to a greater demand from housing and building complexes and conversion of rice paddy land to upland for production of more profitable cash crops.

### Korea: 2014 Rice Production Estimate

	2013 Rice Production	2014 Rice Production Estimate
Area (1,000 HA)	833	816
Yield (Kg/10a)	508	513
Production (1,000MT)	4,230	4,184

Source: Korea Rural Economic Institute (KREI)

### Korea: Rice Area and Production Estimate per Province (September 15 Crop Survey Basis)

Crop Year	Area (Hectare)			Production (Metric ton)		
	2013	2014	Change (%)	2013	2014	Change (%)
National Total	832,625	815,506	-2.1	4,230,011	4,184,125	-1.1
Kyonggi	88,949	86,472	-2.8	407,258	444,422	9.1
Kangwon	33,968	33,126	-2.5	159,030	162,923	2.4
Chungbuk	42,893	40,653	-5.2	220,383	214,241	-2.8
Chungnam	151,814	148,684	-2.1	823,526	835,545	1.5
Chonbuk	126,799	124,089	-2.1	680,501	657,559	-3.4
Chonnam	170,690	169,585	-0.6	822,795	798,651	-2.9
Kyounbuk	108,501	106,832	-1.5	572,207	559,752	-2.2
Kyongnam	77,732	76,158	-2.0	392,561	364,734	-7.1
Cheju	302	214	-29.1	858	624	-27.3
Cities <sup>1/</sup>	30,977	29,693	-4.1	150,892	145,674	-3.4

Source: Statistics Korea (KOSTAT)

1/ paddy land located in seven big cities such as Seoul, Pusan etc.

### Yield

Favorable weather developments increased rice yields to 513Kg per 10 Are, up 1 percent from the previous year, which is the highest yield since 2010.

### Korea: Rice Area, Yield and Production

Crop Year	Area (1,00HA)	Yield (KG/10A)	Production (Milled, 1,000 MT)
2002 a/	1,053	471	4,927

2003 b/	1,016	441	4,451
2004	1,001	504	5,000
2005	980	490	4,768
2006	955	489	4,680
2007	950	464	4,408
2008	936	518	4,843
2009	925	532	4,916
2010	892	482	4,295
2011	854	495	4,224
2012	849	472	4,006
2013	833	508	4,230
2014	816	513	4,184

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

a/ Heavy rains during the summer and the effects of typhoon Rusa (Aug 31 – Sep 1)

b/ Cool and rainy days during the growing season and the effects of typhoon Maemi (Sep 9 - 12).

c/ based on initial crop survey conducted from September 15-22, 2014

### **Government Rice Purchase Program under the Public Food Grain Stockholding Program (PFSP)**

The government also purchases rice for price stabilization purposes. Under the Public Food Grain Stockholding Program for Food Security, the Korean government will purchase domestic paddy rice during the harvest season (October-December) at the average market price and sell it during non-harvest periods at the prevailing domestic market price. Between October and December 2014, the Korean government plans to purchase 370,000 MT (milled basis) of paddy rice representing around 9 percent of the 2014 rice crop estimate. Additionally, the government plans to purchase an additional 30,000 tons for the APTERR (ASEAN Plus Three Emergency Rice Reserve), which was established to provide member countries with rice in the event of natural disasters. The total amount of rice agreed upon in July 2013 by the 13 member countries and stored in reserve was 787,000 metric tons, including 150,000 metric tons promised by Korea.

<b>Korea: Government Rice Purchases</b> under <b>Public Food Grain Stockholding Program (PFSP)</b>			
Crop Year	Production(1,000 MT)	Purchase(1,000 MT)	%
2005	4,768	719	15.1
2006	4,680	504	10.8
2007	4,408	417	9.5
2008	4,843	400	8.3
2009	4,916	370	7.5
2010	4,295	340	7.9
2011	4,224	261	6.2
2012	4,006	363	9.1
2013	4,230	367	8.7
2014 <sup>a/</sup>	4,184	400 <sup>b/</sup>	9.6

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

a/ plan

b/ include 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)

### **Government and NACF's Loan Programs**

The Korean government intends to provide loans for rice millers worth 1.23 trillion Korean Won (US\$1.2 billion) with a special loan rate between 0 and 2 percent per annum this year. The National Agricultural Cooperative Federation (NACF), the national farmers group, also continues to provide 1.3 trillion Korean Won (US\$1.26 billion) worth of loans to rice farmers/millers with zero interest. The main goal of the loan program is to encourage rice millers to purchase more rice from farmers minimizing the downward pressure of harvest on prices in the rice market. Another bumper crop

has caused concern with rice farmers over the collapsing farm gate price compounded by anxiety over rice market liberalization that will take effect early next year.

Most rice purchases under the loan programs provided by the Korean government and the NACF will be introduced into the rice retail market through NACF's Rice Processing Complexes (RPCs) and independent RPCs throughout the 2014/15 (Nov/Oct) rice marketing year. Korean rice farmers expect the purchasing measures will help prop up prices during the rice harvest season.

Rice farmers are expected to sell approximately 2 million metric tons during the harvest season including 400,000 MT of government direct purchasing under the Public Food Grain Stockholding Program and APTERR, and 1.6 million metric tons of rice under loan programs including independent RPC purchases.

<b>Korea: NACF Rice Purchases</b> <sup>a/</sup>			
Crop Year	Production(1,000 MT)	Purchase(1,000 MT)	%
2005	4,768	1,071	22
2006	4,680	1,306	28
2007	4,408	1,227	28
2008	4,843	1,617	33
2009	4,916	1,950	40
2010	4,295	1,380	32
2011	4,224	1,327	31
2012	4,006	1,331	33
2013	4,240	1,465	35
2014	4,184	1,300-1,500 <sup>b/</sup>	31-35

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

a/ exclude independent RPC purchases

b/ plan

## CONSUMPTION

The Korean government recently revised rice consumption to 4.43million MT (MMT) down from the previous estimate of 4.48 MMT for MY 2013/14 as table rice consumption continues declining. In MY 2014/15, total domestic rice consumption is forecast to decline to 4.36 MMT, down 2 percent from the previous year. Per capita consumption (table rice basis) in MY 2013/14 will also decline to 65.8 Kg, down 2 percent from the previous year.

<b>Korea: Rice Utilization Pattern</b> (1,000 MT, milled)				
Rice Year (Nov.- Oct.)	MY 2011/12 <sup>a/</sup>	MY 2012/13 <sup>b/</sup>	MY 2013/14 <sup>c/</sup>	MY 2014/15 <sup>d/</sup>
Table Rice	3,554	3,435	3,354	3,270
Processing	566	526	550	550
(for food)	(418)	(470)	(480)	(490)
(for liquor)	(148)	(56)	(70)	(60)
Seed	36	36	36	36
Other and Loss	724	492	494	500
Total Demand	4,880	4,489	4,434	4,356
Per Capita Table Rice Consumption (Kg)	69.8	67.2	65.8	64.4

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

a/ Revised

b/ Preliminary

c/ Forecast

d/ FAS/Seoul forecast

<b>Korea: Processing Rice Consumption Pattern</b> (1,000 MT, milled)				
Purpose	MY 2009/10	MY 2010/11	MY 2011/12 <sup>a/</sup>	MY 2012/13 <sup>b/</sup>

KRFA	180	234	248	246
KALIA	207	244	148	56
Others c/	167	166	170	224
Total	554	644	566	526

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

a/ MAFRA Revised

b/ MAFRA Preliminary

c/ traditional foods or beverage made of local rice.

Note: Korea Rice Foodstuffs Association (KRFA), Korea Alcohol & Liquor Industry Association (KALIA)

## TRADE

### 2014 MMA Tendering Process:

Since February 2014 the Korean government has purchased 408,700 MT under the 2014 MMA. As of October 6, 2014, the Korea Agro-Fisheries & Food Trade Corporation (aT), the state trading arm of the Korean government, purchased 396,622 metric tons (milled), about 97 percent of the entire 2014 MMA import commitment with the remainder still undergoing the bidding process. Korea purchased about 15 percent of the total 2014 MMA commitment from the United States, consisting of 10,000 metric tons (milled) of global quota (GQ) and 50,076 metric tons (milled) of the country specific quota (CSQ), respectively, as U.S. rice prices have been less competitive than those of other origin in the buying tenders under the global quota (MFN). Therefore, U.S. bidders were successful in selling just 10,000 metric tons, five percent of the total global quota, far lower than the 34 percent of the previous year.

The United States was awarded 60,076 metric tons (milled) or US \$62 million, comprised of 44,507 metric tons of medium grain milled rice for table purposes and 17,299 metric tons of medium grain brown rice (or 15,569, milled) for processing purposes under both CSQ and GQ. Please refer to the following tables for more details.

Post expects Korea to complete the 2014 MMA commitment by purchasing the pending 12,078 metric tons, which is composed of 8,768 metric tons of Chinese CSQ and 3,310 metric tons of Thai CSQ, by the end of 2014.

Korea: Rice Quota Allocation for Buying Tenders under 2014 MMA (Unit : M/T, milled rice basis)						
Item		Type	Allocation by Grade			
			Non Table rice	Table rice		Total
				USDA No.1	USDA No.3	
CSQ (205,228)	China (116,159)	Short	67,851	28,985	19,323	48,308
	US (50,076)	Medium	5,569	40,056	4,451	44,507
	Thailand (29,963)	Long	26,653	3,310	0	3,310
	Australia (9,030)	Medium	3,635	2,697	2,698	5,395
	<b>Total</b>		103,708	75,048	26,472	101,520
MFN (203,472)	(Short) 46,612; (Medium) 43,270; (Long) 20,000; (Short/Medium) 61,090 <sup>a/</sup> ; (Broken Rice) 32,500 a/ Optional Variety between medium and short grain consisting of 40,000 MT for processing purpose and 21,090 MT for table purpose, which consists of 18,980 MT of USDA No. 1 and 2,110 MT of USDA No. 3.					

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA) and Korea Agro-Fisheries and Food Trade Corporation (aT)

Korea: Rice Contracts by Country under 2014 MMA <sup>1/</sup> (Unit: MT, Milled Basis, as of October 6, 2014 )					
Country	Global Quota		CSQ		Total (%)
	Processing	Table	Processing	Table	
USA	10,000	0	5,569	44,507	<b>60,076(14.7)</b>
China	68,657	21,090	59,083	48,308	<b>197,137(48.2)</b>
Thailand	32,500	0	26,653	0	<b>59,153(14.5)</b>

Australia	21,226	0	3,635	5,395	30,256(7.4)
Vietnam	41000	0	0	0	41,000(10.0)
India	9000	0	0	0	9,000(2.2)
<b>S. Total</b>	182,384	21,090	94,940	98,210	396,622 (97.0)
Open Quota	0		12,078 <sup>2/</sup>		12,078 (3.0)
<b>G. Total</b>	203,472		205,228		408,700(100)

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

1/ under ongoing process of buying tenders since February 2014

2/ composed of 8,768 metric tons of Chinese CSQ and 3,310 metric tons of Thai CSQ

<b>Korea: U.S. Rice Sales to Korea under 2014 MMA<sup>1/</sup></b> (ongoing process of buying tenders as of Oct. 6, 2014)					
Contracts	Quota	Milled rice(MT) for Table	Brown rice(MT) for Processing	Arrival unit price	Amount
		USDA #1	USDA #3	(\$/MT)	(\$)
1	CSQ		6,188	878.95	5,438,943
2	GQ		11,111	902.78	10,031,691
3	CSQ	4,451 <sup>a/</sup>		1,009.80	4,494,620
4	CSQ	10,000		1,078.00	10,780,000
5	CSQ	10,000		1,046.64	10,466,400
6	CSQ	10,000		1,048.68	10,486,800
7	CSQ	10,056		1,047.74	10,536,073
<b>Total</b>		<b>44,507</b>	17,299 <sup>b/</sup>		<b>62,233,624</b>

Source: Korea Agro-Fisheries and Food Trade Corporation (aT), totaling 60,076 MT in milled basis or 14.7 percent of total 2014 MMA.

a/ USDA #3

b/ equivalent to 15,569 MT, milled basis

1/ under ongoing process of buying tenders since February 2014

<b>Korea: 2014 MMA Rice Tender Results</b> (as of October 6, 2014)									
Quota Type	Bid Date (yy-mm-dd)	Rice Type	Volume (Milled Basis)	Origin	Price (US\$/MT)	Terms and Conditions	delivery Due	Agent	Supplier
CSQ	2014-02-21	LG #3 Brown	13,500	Thailand	487.87	CIP	5/31/14	LG	Chaiyaporn
GQ	2014-02-21	MG or SG #3 Brown (Indica)	9,000	India	508.51	CIP	6/30/14	sing-song	KRBL
GQ	2014-02-21	Broken #4 Milled	10,000	Thailand	388.2	CIP	5/31/14	Daewoo	Capital Rice
GQ	2014-02-21	LG #3 Brown	11,000	Vietnam	442.5	CIP	5/31/14	Samsung	Gentra Corp
GQ	2014-02-21	MG #3 Brown	9,000	China	945	CIP	5/31/14	Daewoo	COFCO
CSQ	2014-03-14	LG #3 Brown	13,153	Thailand	458.45	CIP	6/30/14	LG	Chaiyaporn
GQ	2014-03-14	LG #3 Brown	9,000	Vietnam	472.72	CIP	6/30/14	LG	TMC
GQ	2014-03-14	Broken #4 Milled	10,000	Thailand	381.38	CIP	6/30/14	LG	Chaiyaporn
GQ	2014-03-14	Broken #4 Milled	12,500	Thailand	382	CIP	6/30/14	Hyolim	Chiameng
GQ	2014-03-14	MG or SG #3 Brown (Indica)	9,000	Vietnam	487	CIP	7/31/14	Daewoo	Vinafood1
CSQ	2014-04-15	MG #3 Brown	5,569	USA	878.95	CIP	7/31/14	sing-song	ACC
GQ	2014-04-15	MG or SG #3 Brown (Indica)	12,000	Vietnam	478.68	CIP	9/30/14	Daewoo	Vinafood1
GQ	2014-05-09	SG #3 Brown	9,000	Australia	927.8	CIP	9/30/14	D&B	Sun Rice
GQ	2014-05-09	MG #3 Brown	9,318	China	928	CIP	9/30/14	Daewoo	COFCO
GQ	2014-07-08	SG #3 Brown	11,364	China	927.98	CIP	12/15/14	sing-song	Jilin Grain
GQ	2014-07-08	SG #3 Brown	12,226	Australia	927.8	CIP	12/15/14	D&B	Sun Rice
GQ	2014-07-25	SG #3 Brown	14,022	China	927.00	CIP	12/15/14	sing-song	Jilin Grain
CSQ	2014-07-25	SG #3 Brown	28,107	China	928.00	CIP	12/15/14	Daewoo	COFCO
CSQ	2014-07-25	SG #3 Brown	21,976	China	928.00	CIP	12/15/14	sing-song	Jilin Grain
CSQ	2014-07-25	SG #1 Milled	15,000	China	1,007.00	CIF	11/30/14	Daewoo	COFCO
CSQ	2014-07-25	SG #3 Milled	8,584	China	997.00	CIF	10/31/14	Daewoo	COFCO
CSQ	2014-08-07	SG #3 Brown	9,000	China	928.00	CIP	11/30/14	Daewoo	COFCO
CSQ	2014-08-07	SG #1 Milled	13,985	China	1,007.00	CIF	12/31/14	Daewoo	COFCO

CSQ	2014-08-07	SG #3 Milled	10,739	China	997.00	CIF	12/31/14	sing-song	Jilin Grain
CSQ	2014-08-07	MG #3 Brown	3,635	Australia	928.20	CIP	12/15/14	D&B	Sun Rice
CSQ	2014-08-07	MG #1 Milled	2,697	Australia	1,007.00	CIF	12/31/14	D&B	Sun Rice
CSQ	2014-08-07	MG #3 Milled	2,698	Australia	997.00	CIF	12/31/14	D&B	Sun Rice
GQ	2014-08-26	MG #3 Brown	11,453	China	908.00	CIP	12/15/14	Daewoo	COFCO
GQ	2014-08-26	MG #3 Brown	10,001	USA	902.78	CIP	12/15/14	Daewoo	FRC
CSQ	2014-08-26	MG #3 Milled	4,451	USA	1,009.80	CIF	12/31/14	sing-song	ACC
GQ	2014-08-26	MG #1 Milled	6,980	China	998.00	CIF	12/31/14	Daewoo	COFCO
GQ	2014-08-26	MG #3 Milled	2,110	China	997.00	CIF	12/31/14	Daewoo	COFCO
GQ	2014-09-23	MG #1 Milled	6,000	China	978.00	CIF	12/31/14	Daewoo	COFCO
CSQ	2014-09-23	MG #1 Milled	10,000	USA	1,078.00	CIF	12/31/14	Seo-Mok	ADM
GQ	2014-09-23	MG #3 Brown	13,500	China	870.00	CIP	1/31/2015	Daewoo	COFCO
GQ	2014-09-30	SG or MG #1 Milled	6,000	China	985.00	CIF	1/31/2015	Daewoo	COFCO
CSQ	2014-09-30	MG #1 Milled	10,000	USA	1,046.64	CIF	1/31/2015	LG	FRC
CSQ	2014-09-30	MG #1 Milled	10,000	USA	1,048.68	CIF	2/28/2015	LG	FRC
CSQ	2014-09-30	MG #1 Milled	10,056	USA	1,047.74	CIF	2/28/2015	LG	FRC
		total	396,622						

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

#### Selling Auctions of Imported Rice:

aT sells table rice shipments through a public auction system, while the Ministry of Agriculture, Food and Rural Affairs (MAFRA) distributes processing rice to end-users such as food processors and alcoholic beverage producers at a set price throughout the year.

In response to more favorable consumer confidence in U.S. medium grain milled rice, aT has continued selling U.S. medium grain rice of both USDA No. 1 and USDA No. 3 grades under the 2013 MMA quota contract delivered from March through December 2013. USDA No. 3 U.S. Medium grain milled rice of 6,229 metric tons was sold out as of October 13, 2014 while sales at auctions for USDA No. 1 have been good, reaching 92 percent of total supply as of October 15, 2014. aT expects to complete selling auctions for USDA No. 1 grade in October 2014. They plan to resume selling U.S. milled rice early next year under the 2014 MMA as an initial cargo of 4,451 metric tons of USDA No. 3 grade is scheduled to arrive in Korea by the end of 2014.

Progress in auctioning rice of other origins has been comparably slow. Sell auctions for Chinese milled rice are still pending at 59 percent for USDA No. 1 grade and 82 percent for USDA No. 3 under the 2013 MMA with Thai milled rice recently completely auctioning off under the 2012 MMA, ongoing at 8 percent for USDA No. 1 under the 2013 MMA, respectively.

<b>Korea: Status of Rice Auction for Table Rice under 2013 CSQ</b> (Unit: metric tons, milled basis, as of October 15, 2014)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Auctioned Off (%)
U.S. Medium Grain	#1	61,188	56,295	4,893	92
	#3	6,229	6,229	0	100 (as of Oct. 13, 2014)
Chinese Short Grain	#1	24,057	14,525	9,532	59
	#3	21,435	17,623	3,812	82
Thai Long Grain	#1	3,146	265	2,881	8
<b>Total</b>		<b>116,505</b>	<b>94,937</b>	<b>21,118</b>	<b>81</b>

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

<b>Korea: Status of Rice Auction for Table Rice under 2012 CSQ</b> (Unit: metric tons, milled basis)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Auctioned Off (%)



U.S. Medium Grain	#1	36,050	36,050	0	100 (as of May 3, 2013)
	#3	4,006	3,997	9	100 (as of Jan. 9, 2013)
Chinese Short Grain	#1	37,492	37,492	0	100 (as of Sep. 25, 2013)
	#3	24,995	24,897	98	100(as of Nov. 18, 2013)
Thai Long Grain	#1	3,000	2,909	91	97(as of Sep. 24, 2014)
Australian Medium Grain	#1	2,429	2,429	0	100(as of Dec. 6, 2013)
	#3	2,429	2,429	0	100( as of Dec. 6, 2013)
<b>Total</b>		<b>110,401</b>	<b>110,203</b>	<b>198</b>	<b>99.8</b>

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

Korea: Auctioned-Off Prices of Imported Table Rice (Unit: Korean Won per Kg on Average)							
Auctioning-off Period	U.S. Medium Grain		Chinese Short Grain (Medium Grain)		Thai Long Grain	Australian Medium Grain	
	#1	#3	#1	#3	#1	#1	#3
April-September 2006 (2005 MMA)	1,138	991	1,274	1,133	555	none	none
March-August 2007 (2006 MMA)	1,363	1,211	1,357	1,303	953	none	none
February-August 2008 (2007 MMA)	1,542	1,510	1,487	1,558	1,132	none	none
February 2009 -May 2010 (2008 MMA)	1,160	994	1,125 (1,100)	none	1,329	none	none
February 2010-March 2011 (2009 MMA)	970	881	914 (850)	893	672	none	none
April 2011-January 2012 (2010 MMA)	913	1,074 <sup>a/</sup>	707	612	518	none	none
December 2011- October 8, 2013 (2011MMA)	1,258	1,452	1,297	1,501	(802 <sup>c/</sup> ) 944	none	none
August 2012-September 24, 2014 (2012 MMA)	1,677	1,634	1,378	1,374	903	1,299	1,128
July 2013- October 15, 2014 (2013 MMA)	1,593 <sup>b/</sup>	1,573 <sup>b/</sup>	1,336 <sup>b/</sup>	1,337 <sup>b/</sup>	905 <sup>b/</sup>	none	none

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

a/ Auctioned-off during October-December 2011

b/ ongoing

c/ #3

#### Tariffication

As Korea's Special Treatment of imported rice through the World Trade Organization (WTO) minimum market access (MMA) commitments outlined in Annex 5 of the Agreement on Agriculture is scheduled to end in 2014, the Korean government submitted a draft containing modifications and rectifications to Schedule LX - Republic of Korea to the WTO on September 30, 2014 so that Korea can begin implementation of ordinary customs duties on rice under the WTO beginning January 1, 2015. The Korean government announced its intent of moving to rice tariffication on September 18, 2014, subsequently issuing the following press release on September 29, and notifying the WTO on September 30.

#### Government Press Release on September 29, 2014:

□ The government submitted the revised country schedule (draft) for rice tariffication effective on January 1, 2015 to the Secretariat General's office of WTO on September 30 (Tuesday), 2014.

○ The draft revisions to the country schedule includes things that the government had already announced on September 18 (Thursday), such as tariff equivalent level of 513 percent, Special Safe-Guard (SSG) to protect the domestic market when there is a surge in import volume, the volume and tariff rate for Tariff Rate Quota (TRQ), etc.

□ Members of the WTO can raise objections to our country schedule within 3 months after the revised draft concession

schedule for rice has been officially circulated. When there is an objection, Korea will conduct bilateral discussions with the nation that rose the objection until such objections has been withdrawn.

○ According to the WTO procedural provisions,\* members must provide a 3 month period for other members to raise objections about the revised draft country schedule. Japan and Taiwan also has set precedence in circulating the country schedule 3 months in advance. \*\*

\* Provision 3 of the 「Procedures for revising and changing tariff concession table (L/4962, 1980.3.26)

\*\* (Japan) submitted on Dec. 21, 1998 → implemented on April 1, 1999, (Taiwan) submitted on September 30, 2002 → implemented on January 1, 2003.

○ The government will put in efforts to attain as original draft during the WTO verification process by thorough action.

<Content of the announcement made on September 18 >

□ The tariff rate for rice has been determined at 513% on the basis of the WTO agreement.

○ The representative domestic wholesale price that is surveyed by aT was used as the domestic price. The average import price of China that is a neighboring nation was used as the international price. (The base period of 1986-1988 was applied as stated in the WTO agricultural agreement.)

○ As the international rice prices have increased to a significantly higher level than the base period of 1986-1988, we will apply the ad valorem duty which will enable a higher protection level.

□ We will apply the special safeguard (SSG) for rice, so that when there is a surge in rice imports or when the import price falls below a certain level, we will protect the domestic market by increasing the duty level.

□ The 2014 mandatory import volume of 408,700 metric tons will be allowed to be imported at the current duty level of 5 percent even after tariffication. The existing country specific quota (205,228 MT) will be converted into a global quota.

○ We will delete the provisions about the usage purpose of the low duty import volume that was applied during the deferment period, such as the ratio of table rice (30 percent), guarantee for market access opportunity to the domestic market, etc. Please refer to GAIN report [Korean Governments Press Release of Rice Tariffication \(KS1443\)](#).

#### Exports:

Korea's rice exports were 1,210 metric tons for the first eight months in CY 2014, with an expectation for the year of slightly less than 2,000 MT. U.S. imports of Korean rice are expected to remain stable for the period.

Korea: Rice Export (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (US\$1,000)	Quantity (MT)	Value (US\$1,000)
2005	18	89	5	5
2006	9	40	0.2	1
2007	507	1,322	333	876
2008	356	829	115	285
2009	4,183	7,300	443	777
2010	3,765	6,394	272	587
2011	3,782	6,277	161	244
2012	2,223	4,424	90	185
2013	1,517	3,363	86	180
2014 (1-8)	1,210	2,784	99	264

Source: Korea Customs Service (KCS)

#### Stocks:

MY 2014/15 ending stocks (through the end of October 2015) are forecast to increase more than one million tons or 27 percent of total anticipated consumption as rice production in the past two years has been greater than actual demand with the decrement of per capita table rice consumption continuing. MY 2013/14 stocks (at the end of October 2014) are

forecast at about 0.8 million tons or 18 percent of total domestic consumption.

<b>Korea: Status of Rice Stocks</b> (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2009/10	2010/11	2011/12a/	2012/13b/	2013/14c/	2014/15c/
Total	1,513	1,034	730	755	789	1,175
Government Stock	821	984	730	755	789	1,175
-Domestic Rice	639	696	487	na	na	na
-Imported Rice	182	288	243	na	na	na
NACF d/	616	0	0	0	0	0
Civil Stock	76	50	0	0	0	0

Source: FAS/Seoul Estimate based on MAFRA data

a/ MAFRA Preliminary

b/ FAS/Seoul Preliminary

c/ FAS/Seoul forecast

d/ NACF purchase under the government loan program.

#### Production, Supply and Demand Data Statistics:

Rice PS&D

<b>Rice, Milled Republic of</b>	<b>Korea,</b>		<b>2012/2013</b>		<b>2013/2014</b>		<b>2014/2015</b>		
			<b>Market Year Begin: Nov 2012</b>		<b>Market Year Begin: Nov 2013</b>		<b>Market Year Begin: Nov 2014</b>		
			<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	
Area Harvested			849	849	833	833	826	816	(1000 HA)
Beginning Stocks			730	730	744	755	775	789	(1000 MT)
Milled Production			4,006	4,006	4,230	4,230	4,050	4,184	(1000 MT)
Rough Production			5,405	5,405	5,632	5,632	5,400	5,570	(1000 MT)
Milling Rate (.9999)			7,412	7,412	7,511	7,511	7,500	7,511	(1000 MT)
MY Imports			510	510	410	240	410	560	(1000 MT)
TY Imports			580	580	445	400	450	470	(1000 MT)
TY Imp. from U.S.			161	191	0	42	0	150	(1000 MT)
Total Supply			5,246	5,246	5,384	5,225	5,235	5,533	(1000 MT)
MY Exports			2	2	2	2	0	2	(1000 MT)
TY Exports			2	2	2	2	0	2	(1000 MT)
Consumption and Residual			4,500	4,489	4,607	4,434	4,590	4,356	(1000 MT)
Ending Stocks			744	755	775	789	645	1,175	(1000 MT)
Total Distribution			5,246	5,246	5,384	5,225	5,235	5,533	(1000 MT)
Yield (Rough)			6.	6.3663	7.	6.7611	7.	6.826	(MT/HA)
TS=TD				0		0		0	

Appendix

Korea: Allocation of the MMA for 2005-2014 (MT, Milled rice)							
Calendar Year	Total	Global Quota	Country Specific Quota (CSQs)				
			Total	USA	China	Thailand	Australia
2005	225,575	20,347	205,228	50,076	116,159	29,963	9,030
2006	245,922	49,724	196,198	50,076	116,159	29,963	a/
2007	266,270	70,072	196,198	50,076	116,159	29,963	a/
2008	286,617	90,419	196,198	50,076	116,159	29,963	a/
2009	306,964	110,766	196,198	50,076	116,159	29,963	a/
2010	327,311	135,613	191,698	45,576 <sup>b/</sup>	116,159	29,963	a/
2011	347,658	151,460	196,198	50,076	116,159	29,963	a/
2012	368,006	216,450	151,556	50,076	62,487 <sup>c/</sup>	29,963	9,030
2013	388,353	188,251	200,102	50,076	116,159	29,963	3,904 <sup>d/</sup>
2014	408,700	203,472	205,228	50,076	116,159	29,963	9,030

Source: MAFRA and Korea Agro-Fisheries and Food Trade Corporation (aT)

a/ Australia CSQ allocation converted to MFN due inability to fulfill quota.

b/ of them, 4,500 MT were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.

c/ of them, 53,672 MT were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.

d/ of them, 5,126 MT were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings

Korea: Global Quota Allocation per Country on the Buying Tender (Milled basis, MT, as of October 6, 2014)						
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Others
2005	20,347	6,104	11,191	3,052	0	0
2006	49,724	13,025	23,080	13,619	0	0
2007	70,072	21,643	32,352	16,077	0	0
2008	90,419	19,534	35,126	35,759	0	0
2009	110,766	31,270	43,629	30,347	0	5,520 <sup>a/</sup>
2010	135,613	48,143	42,411	40,347	0	4,712 <sup>a/</sup>
2011	151,460	51,414	44,911	20,694	0	34,441 <sup>b/</sup>
2012	216,450	50,825	103,583 <sup>c/</sup>	0	0	62,042 <sup>c/</sup>
2013	188,251	64,524	35,280	25,200	19,447	43,800 <sup>d/</sup>
2014	203,472	10,000	89,746	32,500	21,226	50,000 <sup>e/</sup>
Total	1,236,574	316,482	461,309	217,595	40,673	200,515

Source: FAS/Seoul

a/ Pakistan

b/ Vietnam (19,441 MT) and Myanmar (15,000 MT)

c/ Vietnam (45,400 MT), India (11,642 MT) and Myanmar (5,000MT)

d/ Vietnam (13,800MT) and India (30,000MT); however Vietnamese supplier failed to make the contract performance of 10,800 MT.

e/ include 53,672 MT converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.

f/ Vietnam (41,000MT) and India (9,000)

Korea: Import Schedule of Table Rice (MT, Milled Rice)			
Calendar Year	Total	Table Purpose	Rate of Table Rice (%)
2005	225,575	22,557	10
2006	245,922	34,429	14
2007	266,270	47,928	18
2008	286,617	63,055 <sup>a/</sup>	22
2009	306,964	79,810 <sup>b/</sup>	26
2010	327,311	98,193 <sup>c/</sup>	30
2011	347,658	104,297	30
2012	368,006	110,401	30

2013	388,353	116,505	30
2014	408,700	122,610	30

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA)

a/ Of them, 24,934MT of Chinese rice was diverted to alcohol processing purpose in CY2010

b/ Of them, 33,303 MT of Chinese rice and 1,500 MT of Thai rice were diverted to alcohol processing purpose in CY2011

c/ Of them, 5,671MT of Chinese rice were diverted to alcohol processing purpose in CY2012.

Korea: Rice Allocation per Country on the Buying Tender under MMA (Milled basis, MT)						
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Others
1995	51,307	0	0	0	0	51,307 <sup>b/</sup>
1996	64,134	0	64,134	0	0	0
1997	76,961	0	58,961	18,000	0	0
1998	89,787	0	83,487	6,300	0	0
1999	102,614	0	80,114	13,500	0	9,000 <sup>c/</sup>
2000	102,614	0	84,614	18,000	0	0
2001	128,268	27,000	63,000	18,000	20,268	0
2002	153,921	36,000	95,421	22,500	0	0
2003	179,575	49,500	103,075	27,000	0	0
2004	205,228	58,500	117,028	29,700	0	0
2005	225,575	56,179	127,351	33,015	9,030	0
2006	245,922	63,101	145,343	37,478	0	0
2007	266,270	71,719	148,511	46,040 <sup>a/</sup>	0	0
2008	286,617	69,610	151,285	65,722	0	0
2009	306,964	81,346	159,788	60,310	0	5,520 <sup>d/</sup>
2010	327,311	93,719	158,570	70,310	0	4,712 <sup>d/</sup>
2011	347,658	101,490	161,070	50,657	0	34,441 <sup>e/</sup>
2012	368,006	100,901	166,070	29,963	9,030	62,042 <sup>f/</sup>
2013	388,353	114,600	151,439	55,163	23,351	43,800 <sup>g/</sup>
2014	408,700	60,076	197,137	59,153	30,256	62,078 <sup>h/</sup>
Total	4,325,785	983,741	2,316,398	660,811	91,935	272,900

Source: FAS/Seoul

a/ Thai suppliers delivered only 8,470 MT of the total contracted amount due to agflation

b/ India

c/ Vietnam

d/ Pakistan

e/ Vietnam (19,441 MT) and Myanmar (15,000 MT)

f/ Vietnam (45,400 MT), India (11,642 MT) and Myanmar (5,000MT)

g/ Vietnam (13,800MT), India (30,000MT) ; however Vietnamese supplier failed to make the contract performance of 10,800 MT.

h/ Vietnam (45,000 MT), India (9,000 MT) and opening position for bidding (12,078MT composed of 8,768 MT of Chinese CSQ and 3,310 MT of Thai CSQ)

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2012		CY 2013		CY 2014	
	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg
January	2,090	1.83	2,200	2.07	2,180	2.05
February	2,099	1.87	2,200	2.03	2,180	2.03
March	2,100	1.87	2,204	2.00	2,180	2.04
April	2,100	1.85	2,210	1.97	2,169	2.08
May	2,100	1.82	2,213	2.00	2,137	2.09
June	2,100	1.80	2,220	1.96	2,130	2.09
July	2,100	1.84	2,220	1.97	2,130	2.09
August	2,098	1.85	2,220	1.99	2,130	2.08

September	2,090	1.86	2,220	2.05	2,215	2.06
October	2,113	1.91	2,222	2.09	2,099	1.97
November	2,195	2.02	2,183	2.15	na	na
December	2,200	2.04	2,180	2.06	na	na
<b>Average</b>	<b>2,115</b>	<b>1.88</b>	<b>2,208</b>	<b>2.02</b>	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

<b>Korea: Monthly Retail Price of Milled Rice</b> (High Quality)						
Month\Year	CY 2012		CY 2013		CY 2014	
	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg
January	2,194	1.92	2,311	2.17	2,321	2.18
February	2,202	1.96	2,325	2.14	2,323	2.17
March	2,195	1.95	2,329	2.12	2,307	2.16
April	2,200	1.94	2,341	2.09	2,293	2.20
May	2,203	1.91	2,331	2.10	2,289	2.24
June	2,188	1.88	2,340	2.06	2,275	2.23
July	2,172	1.90	2,334	2.07	2,245	2.20
August	2,173	1.92	2,341	2.10	2,236	2.18
September	2,179	1.94	2,340	2.16	2,262	2.19
October	2,242	2.03	2,343	2.20	2,311	2.17
November	2,316	2.13	2,346	2.31	na	na
December	2,311	2.15	2,336	2.21	na	na
<b>Average</b>	<b>2,214</b>	<b>1.96</b>	<b>2,335</b>	<b>2.13</b>	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

<b>Korea: Foreign Exchange Rate</b> (Korean Won against US\$)			
Month	CY 2012	CY 2013	CY 2014
January	1,144	1,065	1,065
February	1,123	1,086	1,072
March	1,126	1,102	1,070
April	1,135	1,121	1,044
May	1,154	1,109	1,024
June	1,164	1,135	1,019
July	1,143	1,126	1,020
August	1,131	1,116	1,025
September	1,124	1,084	1,034
October	1,106	1,065	1,064
November	1,087	1,016	na
December	1,076	1,056	na
<b>Average</b>	<b>1,127</b>	<b>1,094</b>	na

Source: Global Financial Service